

## Message Text

CONFIDENTIAL

PAGE 01 BONN 12773 01 OF 02 071706Z

45

ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 EA-06 ARA-06 AF-06 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-03 USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 FRB-03 FEA-01 PA-01 PRS-01 IO-10 /134 W

----- 118248

R 071647Z AUG 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 1984

INFO AMEMBASSY TEHRAN

USMISSION EC BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY JIDDA

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY VIENNA

USMISSION OECD PARIS

AMEMBASSY LONDON

C O N F I D E N T I A L SECTION 01 OF 02 BONN 12773

E.O. 11652: GDS

TAGS: ENRG, ETRD, IR, GW, EEC

SUBJECT: FRG - IRAN ECONOMIC RELATIONS

REF: TEHRAN 7543

1. SUMMARY: FRG ECON MINISTRY OFFICIAL REPORTS THAT RECENT JOINT COMMISSION MEETINGS IN TEHRAN COVERED WIDE RANGE OF SUBJECTS IN VERY GOOD ATMOSPHERE. IN CONTEXT OF PRODUCER-CONSUMER DIALOGUE, GOI WAS NOT AS ADAMANT ON INDEXATION AS IN THE PAST, AND DID NOT RAISE ISSUE OF FOURTH COMMISSION. TWO NEW WRINKLES EMERGED ON CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 12773 01 OF 02 071706Z

PROPOSED GOI - USSR - FRG TRIANGULAR GAS DEAL:

(1) UNEXPECTED GOI INTEREST IN FINANCING INFRASTRUCTURE,  
(2) REPORTED FRENCH AND AUSTRIAN INTEREST IN JOINING  
CONSORTIUM. END SUMMARY.

2. AUGUST 7 BECKER (ECONOMICS MINISTRY DEPUTY ASSISTANT  
SECRETARY WHO ACCOMPANIED MINISTER FRIDERICH TO  
IRAN/FRG COOPERATION COMMISSION MEETING IN TEHRAN JULY  
29 - 31) GAVE US READOUT WHICH SUPPLEMENTS AND CONFIRMS  
BASIC DETAILS OBTAINED BY EMBASSY TEHRAN (REF).

3. BECKER JUDGED THAT CLIMATE WAS QUITE GOOD. BILATERAL  
TALKS, INSIDE AND OUTSIDE COMMISSION SESSIONS, RANGED  
WIDELY. IN BECKER'S VIEW, IRANIANS DID NOT TREAT FRG  
TEAM WITH "CONDESCENSION" WHICH THEY HAD METED OUT AT  
1974 MEETING. IN ADDITION, HE THOUGHT THAT ROUTINE OF  
COMMISSION TALKS HAS NOW BEEN ESTABLISHED, WITH RESULT  
THAT BOTH SIDES CAN ENGAGE IN TOUR D'HORIZON WITHOUT  
NEED FOR SPECTACULAR ANNOUNCEMENTS.

4. RE PROPOSED BUSHIRE REFINERY, BECKER SAID IRANIAN  
OFFICIALS (INCLUDING SHAH) RAISED ISSUE AT EVERY  
OCCASION. HE HAD IMPRESSION, THOUGH, THAT GOI REALIZES  
THAT REFINERY CANNOT MOVE FORWARD UNDER PREVAILING  
MARKET CONDITIONS. PERHAPS FOR THIS REASON, GOI TEAM  
MADE NO REPROACH ON SUBJECT. BOTH SIDES AGREED TO  
CONTINUE TALKING, BUT ROHWEDDER (STATE SECRETARY OF  
ECONOMICS MINISTRY) SAID FINAL DECISION MUST COME BY  
END OF CURRENT IRANIAN FISCAL YEAR NEXT MARCH. REVIEW-  
ING WELL-KNOWN PROBLEMS POSED BY REFINERY PROPOSAL,  
BECKER NOTED THAT FRG OIL INDUSTRY HAS NO INCENTIVE TO  
MAKE LARGE INVESTMENTS IN NEW REFINING CAPACITY, GIVEN  
FACT THAT PRESENT RECESSION HAS IDLED 40 PERCENT OF  
CURRENT FRG CAPACITY. BECKER ALSO FORESAW NO EARLY,  
OR FAVORABLE, DECISION FROM BRUSSELS RE ISSUE OF PRE-  
FERENTIAL ACCESS FOR PRODUCTS FROM BUSHIRE REFINERY.

5. RE OTHER JOINT PROJECTS (STEEL, ATOMIC PLANTS, ETC.),  
BECKER SAID GERMAN FIRMS WERE HANDLING NEGOTIATIONS  
AND, TO HIS KNOWLEDGE, COMMISSION THEREFORE DID NOT  
COVER THEM IN ANY DEPTH.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 12773 01 OF 02 071706Z

6. DURING TEHRAN MEETINGS, FRG OFFICIALS DISCUSSED  
AT LENGTH PENDING GOI - USSR - FRG TRIANGULAR GAS  
DEAL. BECKER VOICED SATISFACTION THAT DISCUSSIONS,  
LED ON GERMAN SIDE BY RUHRGAS, HAVE BEEN GOING  
SMOOTHLY. HE ADDED THAT IT CAME AS SURPRISE WHEN GOI  
OFFICIALS RAISED ISSUE OF FINANCING INFRASTRUCTURE  
PROJECTS (PIPELINE, ETC.) WHICH WILL BE NEEDED TO

BRING GAS FROM FIELDS IN SOUTHERN IRAN TO SOVIET BORDER. IRANIANS DID NOT PRESS THE ISSUE AND INDICATED INTENT TO PUBLISH INTERNATIONAL TENDER FOR THESE PROJECTS. FRG TEAM EXPLAINED THAT GUARANTEES OF LOANS MIGHT BE POSSIBLE, BUT ONLY IF GERMAN FIRMS WON CONTRACTS -- A COMMITMENT WHICH GOI WAS NOT PREPARED TO GIVE. BECKER ADDED THAT BASIC NEGOTIATIONS RE GAS PROJECT ARE EXPECTED TO END BY NOVEMBER; HE PRIVATELY DOUBTED THAT ALL PHASES OF TALKS (E.G. DELIVERIES) WILL MEET THAT SCHEDULE. BECKER ALSO TOLD US THAT FRANCE AND AUSTRIA HAVE EXPRESSED DESIRE TO JOIN CONSORTIUM, IN LIEU OF BEING OUTRIGHT BUYERS OF GAS

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BONN 12773 02 OF 02 071700Z

45

ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 EA-06 ARA-06 AF-06 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-03 USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 FRB-03 FEA-01 PA-01 PRS-01 IO-10 /134 W

----- 118186

R 071647Z AUG 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 1985

INFO AMEMBASSY TEHRAN

USMISSION EC BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY JIDDA

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY VIENNA

USMISSION OECD PARIS

AMEMBASSY LONDON

CONFIDENTIAL SECTION 02 OF 02 BONN 12773

FROM RUHRGAS. SO FAR, GOI HAS TAKEN "RESERVED, IF NOT NEGATIVE" STANCE TO IDEA. IN ANSWER TO QUESTIONS, BECKER SAID FRG WOULD NOT MIND HAVING FRANCE AND AUSTRIA AS CONTRACTUAL PARTNERS IN CONSORTIUM, BUT THAT USSR MIGHT WELL BE NEGATIVE.

7. GOI OFFICIAL EQBAL (PHONETIC) ELABORATED BASIC GOI VIEWS ON NEED FOR PRODUCER-CONSUMER DIALOGUE, AND ON RELATED ISSUES. GOI OFFICIALS EXPLAINED THAT INFLATION HAD ERODED SOME 35 PERCENT OF IRAN'S EFFECTIVE OIL

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 12773 02 OF 02 071700Z

INCOME IN PAST YEAR, BUT THEY DID NOT DIVULGE SIZE OF PRICE HIKE THEY EXPECT TO EMERGE FROM OPEC MEETING NEXT MONTH.

8. BECKER CLAIMED IDEA OF "FOURTH COMMISSION" DID NOT ARISE, BUT HE OPINED THAT OTHER OPEC MEMBERS WOULD FOLLOW SAG LEAD, IF SAUDIS REMAIN ADAMANT. EMBOFFS TOOK OCCASION TO PASS TO BECKER USG POSITION ON DIALOGUE, PER STATE 186335.

9. DISCUSSION ON FRG-SAUDI ECONOMIC COMMISSION MEETING COVERED SEPTEL.

HILLENBRAND

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMITTEE MEETINGS, INTERGOVERNMENTAL COOPERATION, JOINT VENTURES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 AUG 1975  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** RowellE0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BONN12773  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750273-0305  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750871/aaaackpv.tel  
**Line Count:** 202  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 TEHRAN 7543  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** RowellE0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07 APR 2003 by lzenbel0>; APPROVED <03 OCT 2003 by RowellE0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FRG - IRAN ECONOMIC RELATIONS  
**TAGS:** ENRG, ETRD, IR, GE, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006